



NOOKSACK INDIAN TRIBE



**TRIBAL - STATE COMPACT
FOR CLASS III GAMING**

Between the

Nooksack Indian Tribe

and the

State of Washington

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NOOKSACK INDIAN TRIBE - STATE OF WASHINGTON

GAMING COMPACT

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INTRODUCTION

THIS COMPACT is entered into pursuant to the Indian Gaming Regulatory Act of 1988, P.L. 100-497, codified at 25 U.S.C. s2701-2721 and 18 U.S.C. s1166-1168 (hereafter I.G.R.A. or Act).

PARTIES

THIS TRIBAL-STATE COMPACT is made and entered into by and between the NOOKSACK INDIAN TRIBE, a federally recognized Indian Tribe, possessed of all sovereign powers and rights thereto pertaining; and the STATE OF WASHINGTON, as a sovereign state of the United States, with all rights and powers thereto pertaining.

DECLARATION OF POLICY AND PURPOSE

I.G.R.A. provides for the negotiation of compacts between States and Tribes to govern the conduct of Class III gaming. Indian tribes have rights under I.G.R.A. to regulate gaming activities on Indian lands if the gaming activity is not specifically prohibited by Federal law and is conducted within a state which does not, as a matter of criminal law and public policy, prohibit such gaming activity. The overarching policy of the Act is to provide a framework for the operation of gaming by Indian tribes as a means of promoting Tribal economic development, self-sufficiency and strong Tribal governments, as well as providing a basis for the regulation of gaming by an Indian tribe adequate to shield it from organized crime and other corrupting influences, to insure that the Indian tribe is the primary beneficiary of the gaming operation and to assure that gaming is conducted fairly and honestly by both the operator and players.

This Compact is intended to be the immediate means by which the Tribe may lawfully conduct Class III gaming activities within the State which permits such gaming for any purpose by any person, organization or entity while realizing both State and Tribal objectives by defining the manner in which laws regulating the conduct of gaming activities are to be applied.

It is the policy of the State, recognizing the close relationship between professional gambling and organized crime, to restrain all persons from seeking personal profit from professional gambling activities in the State; to restrain all persons from patronizing such professional gambling activities; to safeguard the public policy against the evils induced by common gamblers and common gambling houses engaged in professional gambling; and at the same time, both to preserve the freedom of the press and to avoid restricting participation by individuals in activities and social pastimes, which activities and social pastimes are more for amusement rather than for profit, do not maliciously affect the public and do not breach the peace.

It is the policy of the Nooksack Indian Tribe to exercise and retain its rights to regulate gaming activities upon its lands and reservation for the purposes of encouraging Tribal employment, economic and social development and funding of

Tribal services while insuring fair operation of such gaming and the prevention of corruption or infiltration by criminal or other unwanted influences.

This Compact is intended to embody the policies and the shared and individual goals and concerns of the Tribe and State concerning the conduct of Tribal Class III gaming.

SECTION 1. TITLE.

This document shall be cited as "The Nooksack Indian Tribe - State of Washington Gaming Compact."

SECTION 2. DEFINITIONS.

For purposes of this Compact:

(a) "Act" means the Indian Gaming Regulatory Act, Pub.L. 100-497, 25 U.S.C. s2701 et seq.

(b) "State Certification" means the licensing process utilized by the State Gaming Agency to ensure all persons required to be licensed/certified are qualified to hold such license in accordance with the provisions of Chapter 9.46 RCW.

(c) "Class III Gaming" means all forms of gaming as defined in 25 U.S.C. Section 2703(8) and authorized under Section 3 of this Compact.

(d) "Compact" means the Nooksack Indian Tribe - State of Washington Gaming Compact.

(e) "Gambling Device" means any device or mechanism the operation of which a right to money, credits, deposits or other things of value may be created, in return for a consideration, as the result of the operation of an element of chance and any device or mechanism which, when operated for a consideration, does not return the same value or thing of value for the same consideration upon each operation thereof.

(f) "Gaming Employee" means any person employed in the operation or management of the gaming operation, whether employed by or contracted to the Tribe, or by any person or enterprise providing on or off-site services to the Tribe within or without the gaming facility regarding any Class III activity, including, but not limited to, gaming operation managers and assistant managers; accounting personnel; surveillance personnel; security personnel; cashier supervisors; dealers or croupiers, box men; floormen; pit bosses; shift bosses; cage personnel; collection personnel; gaming consultants; management companies and their principals; and any other natural person whose employment duties require or authorize access to restricted areas of the gaming facility not otherwise opened to the public. This section shall not be applicable to the Board of Directors of the N.E.D.C. N.E.D.C. board members shall be screened by the Tribal Council to ensure qualifications with the provisions of Section 5(c). The Tribal Gaming Agency shall notify the State Gaming Agency of the identity of all board members of the N.E.D.C.

(g) "Gaming Facility" means the room, rooms or that portion of a room in which Class III Gaming as authorized by this Compact is conducted on Nooksack Tribal Lands on the reservation in Deming located in Whatcom County, Washington.

(h) "Gaming Operation" means the enterprise operated by the Tribe on Nooksack Tribal Lands for the conduct of any form of Class III gaming in any gaming facility.

(i) "Gaming Services" means the providing of any goods or services to the Tribe directly in connection with the operation of Class III gaming in a gaming facility, including equipment, maintenance or security services for the gaming facility.

(j) "Gaming Station" means one gaming table of the general size and scope as commonly used in Nevada.

(k) "Local Law Enforcement Agency" means any law enforcement agency in the vicinity of the gaming operation and which has jurisdiction to enforce local and state laws within the Nooksack Tribal Lands, or is subject to the terms of a cross deputization agreement.

(l) "Net Win" means the total amount of gaming station income (gross gaming revenue), i.e., the difference between the total amount wagered or played and the amounts repaid to winners. The formula to calculate net win shall be that as contained in Appendix A of this Compact.

(m) "Nooksack Economic Development Corporation" as defined by Title 59 of the Nooksack Tribe Code of Laws, hereinafter amended, and attached as Appendix B.

(n) "Nooksack Tribal Lands" means Indian lands as defined by 25 USC Section 2703(4)(A) and (B), subject to the provisions of 25 USC Section 2719.

(o) "Principal" means with respect to any enterprise: (i) each of its officers and directors; (ii) each of its principal management employees, including any chief executive officer, chief financial officer, chief operating officer, or general manager; (iii) each of its owners or partners, if an unincorporated business; (iv) each of its shareholders who own more than ten percent of the shares of the corporation, if a corporation; and (v) each person other than a banking institution who has provided financing for the enterprise constituting more than ten percent of the total financing of the enterprise.

(p) "State" means the State of Washington, its authorized officials, agents and representatives.

(q) "State Gaming Agency" means the Washington State Gambling Commission.

(r) "Tribal Gaming Agency" means the Nooksack Tribal Gaming Commission or such other agency of the Tribe as the Tribe may from time to time designate by written notice to the State as the single Tribal agency primarily responsible for regulatory oversight of Class III Gaming as authorized by this Compact. No employee of the gaming operation may be a member or employee of the Tribal Gaming Agency.

(s) "Tribal Law Enforcement Agency" means the police force of the Nooksack Indian Tribe established and maintained by the Tribe pursuant to the Tribe's powers of self-government to carry out law enforcement within the Nooksack Tribal Lands.

(t) "Tribe" means the Nooksack Indian Tribe, its authorized officials, agents, representatives and the N.E.D.C.

SECTION 3. NATURE, SIZE AND SCOPE OF CLASS III GAMING

(a) Scope of Class III Gaming Activities. The Tribal gaming operation may utilize in its gaming facility, subject to the provisions of this Compact, any or all of the following Class III activities:

- (i) Blackjack;
- (ii) Money-wheel;
- (iii) Roulette;
- (iv) Baccarat;
- (v) Chuck-a-luck;
- (vi) Pai-gow;
- (vii) Red Dog;
- (viii) Chemin De Fer;
- (ix) Craps;
- (x) 4-5-6;
- (xi) Ship-Captain-Crew;
- (xii) Horses (stop dice);
- (xiii) Beat the Dealer;
- (xiv) Over/Under Seven;
- (xv) Beat My Shake;
- (xvi) Horse Race;
- (xvii) Sweet Sixteen;
- (xviii) Sports Pools;
- (xix) Sic-Bo;
- (xx) Keno. Provided, that the Tribe shall submit the proposed game regulations to the State Gaming Agency at least thirty (30) days prior to the time play begins. If the State takes no action within the thirty (30) days, the Tribe may begin offering the game. If a dispute arises between the Tribe and the State regarding issues including but not limited to rules of the game, legality of the game, manner of play, or ability of the parties to regulate, the State and the Tribal Gaming Agencies shall meet and resolve the dispute prior to the time play of that game can begin. The provisions of Section XII(c) may be utilized to resolve disputes if necessary.
- (xxi) Poker.
- (xxii) Jackpot Poker. Provided, that the Tribe shall submit the proposed game regulations to the State Gaming Agency at least thirty (30) days prior to the time play begins. If the State takes no action within the thirty (30) days, the Tribe may begin offering the game. If a dispute arises between the Tribe and the State regarding issues including but not limited to rules of the game, legality of the game, manner of play, or ability of the parties to regulate, the State and the Tribal Gaming Agencies shall meet and resolve the dispute prior to the time play of that game can begin. The provisions of Section XII(c) may be utilized to resolve disputes if necessary. For purposes of this activity, the Class II and/or Class

III poker stations associated with the jackpot as well as the employees associated with the jackpot shall be subject to the jurisdictional provisions set forth in Sections IV and V of this Compact and the enforcement provisions set forth in Sections VII, VIII, and IX of this Compact.

- (xxiii) Any other table game authorized for play in Nevada and played in accordance with applicable Nevada rules, upon 20 days written notice to the State Gaming Agency. Provided, should a dispute arise, the game shall not be utilized until the dispute is resolved in accordance with Section 12(c).

(b) Punchboards, Pull Tabs, Poker and Washington State Lottery - Separate Locations. In addition to the games authorized by Section 3(a), the Tribe may utilize punchboards and pull tabs in the facility and at other locations within the Nooksack Tribal Lands subject to regulation by the Tribe and operated in a manner consistent with the sale of punchboards and pull tabs in the Tribal gaming facility. The operation of State lottery retail locations shall be subject to the provisions of RCW 67.70, WAC Chapter 315 and Tribal Ordinance. Poker played in the same manner as authorized in State licensed card rooms and in conformity with those laws and regulations of the State regarding hours or periods of operation of such card game and its limitations on wagers or pot sizes in such card games, which tables are in addition to the number of gaming stations set forth in Section 3(g);

(c) Amusement Games. The Tribe may utilize Amusement Games, as defined in chapter 9.46.0201 R.C.W., as a part of the Class III facility subject to tribal regulation at least as restrictive as that imposed by the State.

(d) Authorized Gaming Operation. The Tribe may establish one gaming operation and gaming facility on the Nooksack Tribal Lands for the operation of any Class III games as authorized pursuant to sub-section (a) of this Section. The gaming facility may be in the same location and operated in conjunction with the other Tribal gaming operations.

(e) Forms of Payment. All payment for wagers made in authorized forms of Class III gaming conducted by the Tribe on its Tribal Lands, including the purchase of chips, for use in wagering, shall be made by cash, cash equivalent, credit card or personal check.

(f) Size of Gaming Floor. The actual Class III gaming floor within the gaming facility shall be determined by the Tribe.

(g) Size of Class III Gaming Operation. The maximum number of Class III gaming stations shall not exceed thirty one (31) plus, at the option of the Tribe, one (1) additional gaming station ("the nonprofit station"). The proceeds from the nonprofit station shall be dedicated to support nonprofit organizations and their activities located within Whatcom county or the State of Washington. For purposes of determination of "proceeds" from the nonprofit station only, proceeds shall mean the net win less the pro rata cost of regulation and operation, specifically excluding capital costs. Therefore, the proceeds shall equal the net win less the costs of regulation and operation, divided by the thirty one (31) gaming stations. The Tribal gaming ordinance shall set forth regulations concerning the types of bona-fide nonprofit organizations or types of projects of such organizations that shall be

supported by the nonprofit station. When the gaming operation has met the conditions set forth in Section 3(o), "phase two" may be implemented, providing for up to fifty (50) gaming stations plus, at the option of the Tribe, two (2) additional gaming stations ("the nonprofit stations").

(h) Wagering Limitations. Wager limits shall not exceed two hundred fifty dollars (\$250). When the gaming operation has met the conditions set forth in Section 3(o), "phase two" may be implemented, providing for wager limits of up to five hundred dollars (\$500).

(i) Hours of Operation. Operating hours may not exceed one hundred twelve (112) hours per week on an annualized basis. When the gaming operation has met the conditions set forth in Section 3(o), "phase two" may be implemented, providing for operating hours of up to one hundred forty (140) hours per week on an annualized basis. Provided, however, the Class III gaming operation shall be open no more than twenty (20) hours in any twenty-four (24) hour period, and shall be closed to the public from 2:00 a.m. until 6:00 a.m. each day of operation. Provided further, the Tribe may conduct Class III gaming operations beyond 2:00 a.m. upon mutual written agreement by the State Gaming Agency, the Tribal Gaming Agency, and local law enforcement agencies. Provided further, upon thirty (30) days written notice to the State Gaming Agency and upon written mutual agreement between the State Gaming Agency and Tribal Gaming Agency, the Tribe may, not more than three (3) time per calendar year, conduct continuous Class III operations for up to seventy two (72) hours.

(j) Ownership of Gaming Facility and Gaming Operation. The gaming operation shall be owned by the Tribe. Provided, the Tribe may utilize a management company in the gaming operation, including the gaming facility, consistent with the requirements of the I.G.R.A., if market factors and business reasons dictate. Provided further, any management company shall obtain certification from the state authorizing it to engage in Class III gaming prior to the commencement of operation or prior to construction hard costs if participating in the construction of the gaming facility.

(k) Prohibited Activities. Any Class III gaming activity not specifically authorized in Section 3(a) is prohibited. In addition, any electronic facsimile of a gaming activity, and all gambling devices are prohibited. Nothing herein is intended to prohibit or restrict otherwise lawful and authorized Class II gaming activities upon Nooksack Tribal Lands or within the gaming facility.

(l) Prohibition on Minors. No person under the age of eighteen shall participate in any gaming operation, or be allowed on the gaming floor authorized by this Compact during actual hours of operation. Should alcoholic beverages be offered on the gaming floor pursuant to applicable law, then no patron under the age of twenty-one shall be permitted on the gaming floor during actual hours of operation.

(m) Prohibition on Firearms. The possession of firearms by any person within the gaming facility shall be strictly prohibited. Provided, this prohibition shall not apply to authorized agents or officers of the Tribal Gaming Agency, Tribal Law Enforcement Agency, State Gaming Agency, state and local law enforcement agencies.

(n) Financing. Any third party financing extended or guaranteed for the Class III operation and facility shall be disclosed to the State Gaming Agency and said party shall be required to be certified by the State Gaming Agency.

(o) Conditions. After any six months of operation, the State Gaming Agency shall conduct a review of the Class III operation to determine general compact compliance and whether the conditions set forth below have been satisfied. If, as a result of the review, the State Gaming Agency determines that the operation is in compliance with these conditions, the Class III operation may implement "phase two." If the State Gaming Agency determines that the Class III operation has not satisfied the conditions, any resulting dispute will be resolved through the dispute resolution procedures set forth in section 12 of this Compact. Any increase in the number of gaming stations, hours of operation, or wager limits beyond that initially authorized during "phase one" of Class III gaming operations shall be conditioned upon the following criteria:

1. There have been no violations of the provisions of the Compact that have resulted in sanctions imposed by the Federal District Court of the National Indian Gaming Commission.

2. There have been no violations of the Compact which are substantial or, due to repetition, would be deemed material.

3. There have been no material adverse impacts on the public health, safety, or welfare of the surrounding communities in the nature of criminal activities directly related to the operations of the Class III gaming facility.

4. There have been no material violations of Appendix A of this Compact.

5. The Tribal Gaming Agency has developed a strong program of regulation and control demonstrating an adequate level of proficiency, which includes the hiring of trained Tribal Gaming Agents, an independent management and reporting structure separate from that of the gaming facility or tribal bodies, a thorough and developed system for the reporting of Compact violations, and a strong and consistent presence within the Class III facility.

SECTION 4. LICENSING AND CERTIFICATION REQUIREMENTS

(a) Gaming Operation and Facility. The gaming operation and gaming facility authorized by this Compact shall be licensed by the Tribal Gaming Agency in conformity with the requirements of this Compact prior to commencement of operation, and annually thereafter. Verification of this requirement shall be made by the State Gaming Agency and the Tribal Gaming Agency through a joint pre-operation inspection and letter of compliance. The State shall send a non-compliance letter within seven working days after the completion of the inspection. If a dispute arises during the inspection, it shall be resolved pursuant to Section 12(c) of this Compact.

(b) Gaming Employees. Every gaming employee shall be licensed by the Tribal Gaming Agency and shall be certified by the State prior to commencement of employment, and annually thereafter.

(c) Management Companies. Any management company, including its principals, engaged by the Tribe to assist in the management or operation of the gaming facility or gaming operation shall be subject to the licensing requirements of the Tribal Gaming Agency, the National Indian Gaming Commission, and shall be required to obtain state certification prior to providing management services for Class III activities. The certification shall be limited to gaming authorized under this compact, and maintained annually thereafter.

(d) Financiers. Any party extending financing to the gaming facility or gaming operation shall be subject to the licensing requirements of the Tribal Gaming Agency and shall be required to obtain state certification prior to completion of the financing agreement and annually thereafter.

(e) Manufacturers and Suppliers of Gaming Services. Each manufacturer and supplier of gaming services shall be licensed by the Tribal Gaming Agency and shall be certified by the State prior to the sale of any gaming services. If the supplier or manufacturer is licensed or certified by the State of Washington it shall be deemed certified for the purposes of this Compact. The licensing and certification shall be maintained annually thereafter. This provision shall not apply to the Tribe manufacturing gaming equipment for its own Class III Operation.

SECTION 5. LICENSING AND STATE CERTIFICATION PROCEDURES

(a) Procedures For Tribal License Applications and State Certification. Each applicant for a Tribal gaming license and for State certification shall submit the completed application along with the required information to the Tribal Gaming Agency and to the State Gaming Agency. Each completed State certification application shall be accompanied by the applicants' fingerprint card(s), current photograph, and the fee required by the State Gaming Agency.

(b) Background Investigations of Applicants. Upon receipt of a completed application and required fee for State certification, the State Gaming Agency shall conduct the necessary background investigation to ensure the applicant is qualified for State certification. The State Gaming Agency shall expedite State certification applications. Upon completion of the necessary background investigation, the State Gaming Agency shall either issue a State certification to the applicant with a copy to the Tribal Gaming Agency, or deny the application. If the application for certification is denied, a statement setting forth the grounds for denial shall be forwarded to the applicant in accordance with the provisions of Chapter 230-50 WAC with a copy forwarded to the Tribal Gaming Agency.

(c) Provisional/Conditional Certification of Tribal Members. For enrolled members of the Nooksack Indian Tribe who are applicants for Class III gaming certification and licensing, the State Gaming Agency will consult with the Tribal Gaming Agency prior to denying certification to such an applicant who does not meet the criteria for certification. The Tribal and State Gaming Agencies may waive, by mutual agreement, through a provisional or conditional certification, certain criteria for such enrolled tribal members if the waiver does not pose an appreciable risk to the public or the lawful operation of the gaming facility. If the Tribe can show extenuating circumstances why an enrolled tribal member who does not meet all criteria should be further considered for a provisional or conditional certification, the Tribal and State Gaming Agencies may agree to a temporary certification, based on specific conditions and a further detailed review of the applicant. Additional fees may be required to maintain a conditional or provisional certification.

(d) Grounds for Revocation, Suspension or Denial of State Certification. The State Gaming Agency may revoke, suspend or deny a State certification for any reason or reasons it deems to be in the public interest. These reasons shall include, but not be limited to, when an applicant or holder of certification:

(i) Has violated, failed or refused to comply with the provisions, requirements, conditions, limitations or duties imposed by chapter 9.46 RCW and any amendments thereto, or any rules adopted by the State Gaming Agency pursuant thereto, or any provision of a Tribal/State Compact, or when a violation of any provision of chapter 9.46 RCW, or any State Gaming Agency rule, or any provision of a Tribal/State Compact has occurred upon any premises occupied or operated by any such person or over which he or she has substantial control;

(ii) Knowingly causes, aids, abets, or conspires with another to cause, any person to violate any of the laws of this State or the rules of the State Gaming Agency, or the provisions of a Tribal/State Compact;

(iii) Has obtained a license, State certification, or Tribal license by fraud, misrepresentation, concealment, or through inadvertence or mistake;

(iv) Has been convicted of, or forfeited bond upon a charge of, or pleaded guilty to, forgery, larceny, extortion, conspiracy to defraud, wilful failure to make required payments or reports to any Tribal, State, or U.S. governmental agency at any level, or filing false reports therewith, or of any similar offense or offenses, or of bribing or otherwise unlawfully influencing a public official or employee of the Tribe, any state or the United States, or of any crime, whether a felony or misdemeanor involving any gambling activity or physical harm to individuals or involving moral turpitude; provided however, crimes, other than gambling, of a Tribal member relating to the exercise or defense of Tribal treaty rights shall not be grounds for revocation, suspension or denial;

(v) Makes a misrepresentation of, or fails to disclose, a material fact to the State Gaming Agency or the Tribal Gaming Agency;

(vi) Fails to prove, by clear and convincing evidence, that he, she or it is qualified in accordance with the provisions of this Section;

(vii) Is subject to current prosecution or pending charges, or a conviction which is under appeal, for any of the offenses included under sub-section (iv) of this Section. Provided, that at the request of an applicant for an original certification, the State Gaming Agency may defer decision upon the application during the pendency of such prosecution or appeal.

(viii) Has had a Tribal license revoked or denied during the preceding twelve months.

(ix) Has demonstrated a willful disregard for compliance with gaming regulatory authority in any jurisdiction other than the State of Washington, to include: Suspension, revocation and forfeiture of license.

(x) Has pursued or is pursuing economic gain in an occupational manner or context which is in violation of the criminal laws of this state if such pursuit creates probable cause to believe that the participation of such person in gambling or related activities would be inimical to the proper operation of an authorized gambling or related activity in this state. For the purposes of this section, occupational manner or context shall be defined as the systematic planning, administration, management or execution of an activity for financial gain;

(xi) Is a career offender or a member of a career offender cartel or an associate of a career offender or career offender cartel in such a manner which creates probable cause to believe that the association is of such a nature as to be inimical to the proper operation of the authorized gambling or related activities in this state. For

the purposes of this section, career offender shall be defined as any person whose behavior is pursued in an occupational manner or context for the purpose of economic gain utilizing such methods as are deemed criminal violations of the public policy of this state. A career offender cartel shall be defined as any group of persons who operate together as career offenders.

For the purpose of reviewing any application for a state certification and for considering the denial, suspension or revocation of any state certification the state gaming agency may consider any prior criminal conduct of the applicant or holder of certification and the provisions of RCW 9.95.240 and of chapter 9.96A RCW shall not apply to such cases.

(xii) All applicants for, and holders of, a state certificate shall be required to notify the State Gaming Agency of any changes to information relative to their application within 72 hours of such change, including, but not limited to: ownership, contracts, arrests, name, and address. Failure to provide timely notification of such changes shall be grounds for denial or revocation of a State certification.

(e) Right To Hearing For Revocation, Suspension, or Denial of State Certification. Any applicant for State certification, or holder of a State certification shall be entitled to a full hearing on any action by the State Gaming Agency which may result in the revocation, suspension, or denial of State certification. The hearing will be conducted in accordance with the procedures contained in the applicable provisions of Chapter 9.46 RCW, Chapter 34.05 RCW and Chapter 230-50 WAC. Provided, the State may defer such actions to the Tribal Gaming Agency at the State's discretion, and nothing herein shall prevent the Tribal Gaming Agency from invoking its disciplinary procedures and proceedings.

(f) Denial, Suspension, or Revocation of Licenses Issued By Tribal Gaming Agency. The denial, suspension, or revocation of any Tribal gaming license by the Tribal Gaming Agency shall be in accordance with Tribal ordinances and regulations governing such procedures and the grounds for such actions shall not be less stringent than those of Section 5(d).

(g) Duration and Renewal of Tribal Issued Licenses and State Certifications. Any Tribal issued license or State certification shall be effective for one year from the date of issuance. Provided, that a licensed or certified employee or party that has applied for renewal may continue to be employed under the expired license or State certification until action is taken on the renewal application by the Tribal Gaming Agency or State Gaming Agency. Applicants for renewal of license or certification shall provide updated material as requested, on the appropriate renewal forms, but shall not be required to re-submit historical data already available to the Tribal Gaming Agency or the State Gaming Agency. Additional background investigation shall not be required unless new information concerning the applicant's continuing suitability or eligibility for a license, or a State certification is discovered by either the Tribal Gaming Agency or the State Gaming Agency.

(h) Identification Cards. The Tribal Gaming Agency shall require all gaming employees to wear in plain view identification cards issued by the Tribal Gaming Agency which include photo, first name and a four digit identification number unique to the individual tribal license and/or certification which shall include a Tribal seal or signature, and a date of expiration.

(i) Exchange of Licensing and State Certification Information. In an effort to ensure a qualified work force in all areas of Class III gaming, and in all types of gambling authorized under the laws of the State, upon completion of any administrative action against a Tribal license or State certification, the final disposition shall be forwarded to either the Tribal Gaming Agency or the State Gaming agency and maintained as part of both agencies permanent licensing records.

(j) Fees For State Certification. The fees for State certification shall be the following:

| | | |
|-------|--|-----------|
| (i) | Gaming Employee/in-state Initial Certification | \$ 200.00 |
| (ii) | Gaming Employee/resident of state other than Washington within past five years Initial Certification | \$ 250.00 |
| (iii) | Gaming Employee - Renewal | \$ 125.00 |
| (iv) | Management Companies and/or Financiers Initial Certification | \$1500.00 |
| (v) | Management Companies and/or Financiers Renewal | \$ 500.00 |
| (vi) | Manufacturers and Suppliers Initial Certification | \$1500.00 |
| (vii) | Manufacturers and Suppliers - Renewal | \$ 500.00 |

Provided, should actual costs incurred by the State Gaming Agency exceed the above fees, those costs will be assessed to the applicants during the investigation process. Payment in full to the State Gaming Agency will be required prior to the issuance of State certification. Notwithstanding any other provision of this Compact, the State Gaming Agency may modify any of the above fees consistent with like fees charged by the State Gaming Agency for non-Compact gaming elsewhere in the State by giving the Tribe sixty (60) days notice of intent to modify fees. Should a dispute arise under this section it shall be resolved pursuant to Section 12(c) of this Compact.

(k) Fees For Tribal License. The fees for all gaming employee licenses shall be set by the Tribal Gaming Agency.

(l) Temporary Certification of Gaming Employees. Unless the background investigation undertaken by the State Gaming Agency within twenty (20) days of the receipt of a completed application discloses that the applicant has a criminal history, or unless other grounds sufficient to disqualify the applicant pursuant to sub-section (d) of this Section are apparent on the face of the application, the State Gaming Agency shall upon request of the Tribal gaming operation issue a temporary certification to the applicant. The temporary certification shall become void and be of no effect upon either the issuance of a State certification or upon the issuance of

intent to deny, in accordance with the provisions of this Compact. During the twelve month period immediately following the effective date of this Compact as provided herein, any applicant who has a current license issued by the State Gaming Agency, together with his or her completed application shall be immediately issued a temporary certification by the State Gaming Agency pending completion of the certification investigation.

(m) Summary Suspension of Tribal License or State Certification. The Tribal Gaming Agency, pursuant to the laws of the Tribe, and the State Gaming Agency, pursuant to the laws of the State, may summarily suspend any respective Tribal license or State certification if the continued licensing or certification of a person or party constitutes an immediate threat to the public health, safety or welfare.

(n) Submission to State Administrative Process. Any applicant for State certification agrees by submitting such application to submit to State jurisdiction to the extent necessary to determine qualification to hold such certification, including all necessary administrative procedures, hearings and appeals pursuant to RCW 9.46, WAC 230-50 and the State Administrative Procedures Act, RCW 34.05. As a condition of employment in Class III activities, the Tribe shall require Tribal members who apply for certification specifically, waive any immunity, defense, or other objection they might otherwise have to the exercise of state jurisdiction for those purposes discussed in this paragraph. Nothing in this Section shall be deemed or interpreted as a waiver of immunity or submission to State jurisdiction for any other purpose or cause of action.

SECTION 6. TRIBAL ENFORCEMENT OF COMPACT PROVISIONS.

(a) Tribal Gaming Agency. The primary responsibility for the on-site regulation, control and security of the gaming operation authorized by this Compact, and for the enforcement of this Compact within Nooksack Tribal Lands, shall be that of the Tribal Gaming Agency. Upon request of the Tribe, the State shall work with the Tribe to develop and train agents of the Tribal Gaming Agency. As part of its duties, the Tribal Gaming Agency shall perform the following functions:

- (i) the enforcement in the gaming operation, including the facility, of all relevant laws;
- (ii) the physical safety of patrons in the establishment;
- (iii) the physical safety of personnel employed by the establishment;
- (iv) the physical safeguarding of assets transported to and from the gaming facility and cashier's cage department;
- (v) the protection of the patrons and the establishment's property from illegal activity;
- (vi) the detention of persons who may be involved in illegal acts for the purpose of notifying the law enforcement authorities; and
- (vii) the recording of any and all unusual occurrences within the gaming facility. Each incident, without regard to materiality, shall be assigned a sequential number and, at a minimum, the following information shall be recorded in indelible ink in a bound notebook from which pages cannot be removed and each side of each page of which is sequentially numbered:
 - (aa) the assigned number;

- (bb) the date;
- (cc) the time;
- (dd) the nature of the incident;
- (ee) the person involved in the incident; and
- (ff) the security department or Tribal Gaming Agency employee assigned.

(b) Inspectors. The Tribal Gaming Agency shall employ qualified inspectors or agents under the authority of the Tribal Gaming Agency. Said inspectors shall be independent of the Tribal gaming operation and any management company and shall be supervised and accountable only to the Tribal Gaming Agency.

(c) Reporting of Violations. A Tribal gaming inspector shall be present in the gaming facility during all hours of gaming operation, and shall have immediate access to any and all areas of the gaming operation for the purpose of ensuring compliance with the provisions of this Compact and Tribal Ordinances. Any violation(s) of the provisions of this Compact, or of Tribal Ordinances by the Tribal gaming operation, a gaming employee, or any person on the premises whether or not associated with the Tribal gaming operation shall be reported immediately to the Tribal Gaming Agency and forwarded to the State Gaming Agency within seventy-two (72) hours of the time the violation(s) was noted.

(d) Investigation and Sanctions. The Tribal Gaming Agency shall investigate any reported violation of the Compact provisions and shall require the Tribal gaming operation to correct the violation upon such terms and conditions as the Tribal Gaming Agency determines are necessary. The Tribal Gaming Agency shall be empowered by Tribal Ordinance to impose fines and other sanctions within the jurisdiction of the Tribe against a gaming employee, a management company employee, or any other person directly or indirectly involved in, or benefiting from, the gaming operation.

(e) Reporting to State Gaming Agency. The Tribal Gaming Agency shall forward copies of all completed investigation reports and final dispositions to the State Gaming Agency on a continuing basis. If requested by the Tribal Gaming Agency, the State Gaming Agency shall assist in any investigation, initiated by the Tribal Gaming Agency, and provide other requested services to ensure proper compliance with the provisions of this Compact, Tribal Ordinances, laws of the Tribe, or applicable laws of the State.

(f) Quarterly Meetings. In an attempt to develop and foster a relationship in the enforcement of the provisions of this Compact, representatives of the State Gaming Agency and the Tribal Gaming Agency shall meet, not less than on a quarterly basis, to review past practices and examine methods to improve the regulatory program created by this Compact. The meetings shall take place at a location selected by the Tribal Gaming Agency. The State Gaming Agency prior to or during such meetings shall disclose to the Tribal Gaming Agency any concerns, suspected activities or pending matters reasonably believed to possibly constitute violations of this Compact by any person, organization or entity, if such disclosure will not compromise the interest sought to be protected.

SECTION 7. STATE ENFORCEMENT OF COMPACT PROVISIONS.

(a) Monitoring. The State Gaming Agency shall, pursuant to the provisions of this Compact, have the authority to monitor the Tribal gaming operation to ensure

that the operation is conducted in compliance with the provisions of this Compact. In order to properly monitor the Tribal gaming operation, agents of the State Gaming Agency shall have free and unrestricted access to all areas of the gaming facility during normal operating hours without giving prior notice to the Tribal gaming operation. The Tribal Gaming Agency may send a representative to assist the State gaming agents in the inspection.

(b) Enforcement Actions by State Gaming Agency. In the event the State Gaming Agency has information that may indicate that an individual's tribal license should be revoked or suspended, it shall be handled in the following manner: the State Gaming Agency will notify the Tribal Gaming Agency who shall either bring an action in accordance with tribal law; refer the case back to the State for action under State procedures; or decline to take the case, thereby deferring to the State to take any action the Tribes or the State deem necessary for resolution of the issues. Provided, the State retains the right to take action, through Tribal or State court or administrative processes, to suspend or revoke a state certification.

(c) Access to Records. Agents of the State Gaming Agency shall have authority to review and copy, during normal business hours, all records maintained by the Tribal gaming operation. Provided, that any copy thereof and any information derived therefrom, shall be deemed confidential, and proprietary financial information of the Tribe. The State shall notify the Tribe of any requests for disclosure of such information and shall not disclose until the Tribe has had a reasonable opportunity to challenge the request or to seek judicial relief. Any records or copies removed from the premises shall be forthwith returned to the Tribe after use, unless otherwise permitted to be retained by the State under this Compact. Provided further, this public disclosure prohibition shall not apply to evidence used in any proceeding authorized by this Compact.

(d) Tribal Gaming Agency Notification. At the completion of any inspection or investigation, copies of the investigative report shall be forwarded to the Tribal Gaming Agency.

(e) Cooperation With Tribal Gaming Agency. The State Gaming Agency shall meet periodically with the Tribal Gaming Agency and cooperate fully in all matters relating to the enforcement of the provisions of this Compact and immediately notify the Tribal Gaming Agency of any activity suspected or occurring whether within the gaming facility or not, which adversely affects State, Tribal or public interests relating to the gaming facility and operation. Provided, such disclosure shall not compromise the interest sought to be protected.

SECTION 8. REGULATORY JURISDICTION RELATING TO ENFORCEMENT OF THE PROVISIONS OF THIS COMPACT.

Concurrent Jurisdiction. The Tribal Gaming Agency and the State Gaming Agency shall have concurrent jurisdiction to investigate violations of the provisions of this Compact, and to bring administrative charges, in accordance with Tribal Laws and the provisions of Chapter 9.46 RCW, Chapter 34.05 RCW and Chapter 230-50 WAC, against any individual or business entity that is licensed by the Tribal Gaming Agency or certified by the State Gaming Agency in accordance with Section 4 and Section 5 of this Compact. In recognition of the need to foster a joint regulatory program to

enforce the provisions of this Compact, the Tribe consents to the exercise of jurisdiction over such administrative actions by the Office of Administrative Hearings and Superior Courts of the State with respect to such actions to enforce the provisions of this Compact.

SECTION 9. LAW ENFORCEMENT JURISDICTION RELATING TO GAMBLING.

(a) Investigative Authority. The Tribal Gaming Agency, Tribal Law Enforcement Agency, the Whatcom County Sheriff, the Washington State Patrol, and the State Gaming Agency shall have the authority to investigate gambling and related crimes against the laws of the Tribe and of Chapter 9.46 RCW made applicable, that occur within the gaming facility or within Nooksack Tribal Lands.

(b) Jurisdictional Forums. Following investigation and arrest, formal charges will be brought in the appropriate venue. Criminal prosecution of non-tribal members will be through the proper State or Federal courts. Tribal members who are criminal defendants will be prosecuted in Tribal or Federal Court. Wherever possible, for criminal defendants who are Tribal members, Tribal Court will be the preferred venue for individual prosecutions unless the Tribe declines to place jurisdiction in the Tribal Court within six (6) months of apprehension by a law enforcement agency.

(c) Consent to Application of State Law. For the purposes of 25 USC Section 1166(d) and enforcing the provisions of this Compact, and of protecting the public health, safety and welfare, and to the extent not inconsistent with other provisions of this Compact, RCW 9.46.075; 9.46.140; 9.46.155; 9.46.160; 9.46.170; 9.46.180; 9.46.185; 9.46.190; 9.46.196; 9.46.198; 9.46.220; 9.46.230; 9.46.240; as now or hereinafter amended, shall be applicable and incorporated herein as part of this Compact and the Tribe consents to this grant of jurisdiction to the State with respect to gaming on Nooksack Tribal Lands.

(d) Exception to Consent. Except for the grant of jurisdiction to the State with respect to gaming on Nooksack Tribal Lands contained in this Section, and elsewhere for acts of individuals, nothing in this Compact shall be deemed a consent, or submission of, or by, the Tribe to the jurisdiction and laws of the State.

(e) Law Enforcement Coordination. In an attempt to foster a spirit of cooperation between the law enforcement agencies authorized to enforce the criminal laws of the State, the Tribe and those laws affecting the public health, safety and welfare of the surrounding communities, representatives of those law enforcement agencies shall meet prior to commencement of operations and periodically thereafter to discuss mutual concerns and coordinate the enforcement actions necessary to minimize those concerns.

SECTION 10. ENACTMENT OF COMPACT PROVISIONS

(a) State Gaming Agency Rules or Regulations. Pursuant to its general rule making authority contained in Chapter 9.46 RCW, the State Gaming Agency may enact, as part of its rules or regulations governing gambling, all or part of the provisions of this Compact.

(b) Tribal Gaming Agency Regulations. Pursuant to its general rule making authority, the Tribal Gaming Agency may enact, as part of its rules or regulations governing gambling, all or part of the provisions of this Compact.

SECTION 11. REGULATIONS FOR THE OPERATION AND MANAGEMENT OF THE TRIBAL GAMING OPERATION.

(a) Adoption of Regulations for Operation and Management. The Tribal Gaming Agency shall adopt regulations to govern the operation and management of the gaming operation conducted under the authority of this Compact. The regulations shall ensure that the interests of the Tribe and the State relating to Class III gaming are preserved and protected. The regulations shall maintain the integrity of the gaming operation and shall reduce the dangers of unfair or illegal practices in the conduct of the Class III gaming operation. The initial regulations to govern the operation and management of the gaming operation shall be the standards set forth in Appendix A. The Tribal Gaming Agency shall notify the State Gaming Agency of any intent to revise the standards set forth in Appendix A and shall request the concurrence of the State Gaming Agency for such revisions. State Gaming Agency concurrence shall be deemed granted unless written disagreement within sixty (60) days of submission of the revised standards is delivered to the Tribal Gaming Agency. The State Gaming Agency shall concur with the proposed revisions upon request, unless it finds that they would have a material adverse impact on the public interest in the integrity of the gaming operation, and shall disagree with such portions which are determined to have a material adverse impact upon that interest. If the State Gaming Agency disagrees with the request, it shall set forth with specificity the reasons for such disagreement. Upon a notice of disagreement, the State Gaming Agency and the Tribal Gaming Agency shall meet and, in good faith, try to resolve the differences. If unsuccessful, the matter shall be resolved pursuant to Section 12(c) of this Compact.

(b) Additional Operational Requirements Applicable To Class III Gaming. The following additional requirements shall apply to the gaming operation conducted by the Tribe:

(i) To ensure integrity, the Tribal Gaming operation shall maintain a surveillance log recording all surveillance activities in the monitoring room of the gaming facility; a security log recording all unusual occurrences for which the assignment of a Tribal Gaming Agency or security department employee is made.

(ii) The Tribal Gaming Agency shall establish a list of persons barred from the gaming facility because their criminal history or association with career offenders or career offender organizations poses a threat to the integrity of the gaming activities of the Tribe. The Tribal Gaming Agency shall employ its best efforts to exclude persons on such list from entry into its gaming facility. The Tribal Gaming Agency shall send a copy of its list on a quarterly basis to the State Gaming Agency.

(iii) The Tribal Gaming Agency shall require the audit of the Tribal gaming operation, not less than annually, by an independent certified public accountant, in accordance with the auditing and accounting standards for audits of casinos of the American Institute of Certified Public Accountants.

(iv) The Tribal Gaming Agency shall notify the State Gaming Agency of the rules of each game operated by the Tribe and of any change in such rules. Summaries of the rules of each game relevant to the method of play and odds paid to winning bets shall be visibly displayed or available in pamphlet form in the gaming facility. Betting limits applicable to any gaming station shall be displayed at such gaming station. Rules for games identified in Section 3(a) shall be based upon such

games as commonly practiced in Nevada, including wagering or play, as do not fundamentally alter the nature of the game as the Tribal Gaming Agency may approve. Rules for games identified in Section 3(a) shall be submitted to the State Gaming agency for review, which review shall determine if said rules do not fundamentally alter the nature of the game. The Tribal Gaming Agency will provide the State Gaming Agency ten (10) days advance notice of the rules of each game and any modifications thereof, and will provide adequate notice to patrons of the gaming operation facility to advise them of the applicable rules in effect. In the event of a dispute, the matter will be handled in accordance with Section 12(c) of this Compact.

(v) The Tribal gaming operation shall maintain a closed circuit television system in accordance with the regulations set forth in Appendix A, and shall not modify such regulations without the agreement of the State Gaming Agency. The Tribal gaming operation shall provide the Tribal Gaming Agency and the State Gaming Agency with copies of its floor plan and closed circuit television system and any modifications thereof for review by the Tribal Gaming Agency. If the floor plan or closed circuit television system does not provide unobstructed camera views in accordance with such regulations, the Tribal Gaming Agency shall modify such floor plan or closed circuit television system in order to remedy such deficiency. The Tribal Gaming Agency shall forward a copy of the floor plan and closed circuit television system to the State Gaming Agency for review and consideration prior to final approval. In the event of a dispute, the matter will be handled in accordance with the provisions of Section 12(c).

(vi) The Tribal gaming operation shall maintain a cashier's cage in accordance with the standards set forth in Section 7(3)(d) and Section 9(3) of Appendix A, and shall not modify such standards without the concurrence of the State Gaming Agency. The Tribal Gaming Agency and the State Gaming Agency may review cashier's cage security. If the cashier's cage does not comply with the security standards set forth in the Appendix, the Tribal gaming operation shall modify its cashier's cage to remedy such deficiency. In the event of a dispute the matter will be handled in accordance with provisions of Section 12(c).

(vii) The Tribal gaming operation shall provide the Tribal Gaming Agency and the State Gaming Agency with a description of its minimum requirements for supervisory staffing for each table gaming pit operated in its gaming facility, and in the event that the State Gaming Agency regards such supervisory staffing as inadequate to protect the integrity of the table games, the Tribal Gaming Agency and State Gaming Agency shall promptly confer in good faith in an effort to reach agreement on supervisory staffing requirements. If agreement cannot be reached between the State Gaming Agency and the Tribal Gaming Agency, the dispute shall be handled in accordance with Section 12(c) of this Compact.

SECTION 12. REMEDIES FOR BREACH OF COMPACT PROVISIONS.

(a) **Injunction Against the State.** If the Tribe believes the State, whether or not through the State Gaming Agency, is in breach or default, or is otherwise acting contrary to, or failing to act in the manner required by any of the provisions of this Compact, the Tribe may seek injunctive or other relief in a court of competent jurisdiction.

(b) Injunction Against the Tribe, the Tribal Gaming Operation, or any Individual. The State Gaming Agency may bring an action to enjoin the Tribe, the Tribal gaming operation, or any individual, if the State determines that any gaming operation, authorized by the provisions of this Compact, is being conducted in violation of the provisions of this Compact. If any Class III activity is being conducted by others elsewhere on Nooksack Tribal Lands in violation of the provisions of this Compact, the State may also seek to enjoin that activity. Such action shall be brought in the U.S. District Court, pursuant to 25 U.S.C. s2710(d)(7)(A)(ii). For the purpose of this remedy, the Tribe consents to such suit and waives any defense it may assert by way of its sovereign immunity.

(c) Dispute Resolution. In addition to the other remedies and enforcement provisions elsewhere in this Compact and without prejudice to either party to seek injunctive relief against the other, the parties hereby establish a method of non-judicial dispute resolution in order to foster a spirit of cooperation and efficiency in the administration and monitoring of performance and compliance by each with the terms, provisions and conditions of this Compact. Unless other procedures and time frames are elsewhere set forth in this Compact, then and in the event of a dispute or disagreement between the parties regarding the implementation and compliance with this Compact where referenced herein or otherwise by mutual agreement of the parties, such and same shall be redressed as follows:

(i) Either party shall give the other, as reasonably proximate to the event giving rise to the concern, a notice setting forth the issues to be resolved;

(ii) The parties shall meet and confer not later than ten (10) days from receipt of the notice;

(iii) If the dispute is not resolved to the satisfaction of either within twenty (20) days of the first meeting, then the party may seek and cause to have the dispute resolved by and in accordance with the policies and procedures of the Judicial Arbitration and Management Service of Seattle, Washington (JAMS);

(iv) The hearing, unless another date is stipulated to by the parties, shall occur no later than fourteen (14) days from Judge(s) selection before a JAMS judge or judges of agreed selection by the parties, but in the event no agreement is made, then as selected by JAMS;

(v) The hearing shall occur at a time, place and location of mutual selection, but if such cannot be agreed to, then as selected by JAMS;

(vi) The decision of JAMS shall be final and unappealable and if the party against whom sanctions are sought or curative or other conforming action is required and not paid or performed or expeditiously undertaken to effect cure, if not capable of immediate remedy, then the failure to do so shall be deemed a default and breach of the provision(s) of the Compact at issue;

(vii) The rules of pleading and procedure of the American Arbitration Association - Seattle, for commercial disputes shall supplement those of JAMS, unless the parties otherwise agree to other rules and procedures and document the same by an appendix to this Compact. Should JAMS cease to provide these functions, then the parties agree to substitute the services of the American Arbitration Association - Seattle.

(d) Sanctions/Civil Fines. The following is a schedule of civil fines for any infraction of the provisions of the Compact Sections set forth below. These penalties

are set forth as maximums to be set within the reasonable discretion of the State Gaming Agency and charged and levied against the N.E.D.C. Should the N.E.D.C. cease to operate the Class III Gaming Operation, these penalties shall be charged and levied against the subsequent operator or the Tribe. The event or circumstances occasioning the charge and the extent and amount of the penalty for the infraction, if contested, are subject to dispute resolution under Section 12(c). All such penalties are subject to disposition under Section 12(e).

Violation of Terms, Conditions
and Provisions of Section 3:

First and subsequent infractions: up to a maximum suspension of gaming operations within the facility not to exceed 5 days of active hours of operation (up to 20 hours per day) per violation or the dollar equivalent of the net win to the Tribe from operations for the number of days of suspension, all not to exceed 30 days.

Violation of Terms, Conditions
and Provisions of Section 4 -
Non-Certified or Non-Licensed
Gaming Employee(s)/Manufacturer(s)
and Supplier(s):

(a) Employees: First infraction: Fine equal to daily net win for each day of employment divided by the number of stations in play for each day of employment. Second infraction (same person): One day's suspension (20 hours) of gaming operations for each day of employment or a fine equal to the net win for each day of employment; (b) Manufacturers and suppliers: First infraction: Up to \$5,000.00; second infraction: Up to \$20,000.00.

Violation of Terms, Conditions
and Provisions of Section 11
and Appendix A - Violation of
Same Provision:

First infraction: written warning; second infraction: up to \$250.00; third infraction: up to \$500.00; any subsequent violation up to \$1,000.00, all to be charged and monitored on a per-violation basis on an annual basis dating from the issuance of the written warning. Provided, during the first six (6) months of actual operation only written warnings will be issued.

(e) Disposition of Civil Fines Collected. Any civil fines collected by the State Gaming Agency or the Tribal Gaming Agency pursuant to the provisions of this Compact shall be disbursed at the end of each fiscal year to the Washington State Council on Problem Gambling, a bona fide nonprofit organization. In the event the Washington State Council on Problem Gambling ceases to exist or substantially changes its purpose, then the parties agree to meet and in good faith designate a successor recipient bona fide nonprofit organization whose primary purposes are related to addressing the ills of compulsive and/or problem gambling within the State, Nooksack Tribal Lands and neighboring communities. Provided, in the event a dispute arises, it will be resolved pursuant to Section 12(c) of this Compact.

SECTION 13. TRIBAL REIMBURSEMENT FOR EXPENSES INCURRED BY THE STATE GAMING AGENCY.

The Tribe shall reimburse the State Gaming Agency for all costs and expenses actually incurred by the State Gaming Agency in carrying out its responsibilities as authorized under the provisions of this Compact. Reimbursement shall be made for monitoring, investigative, and processing costs. With regard to administrative actions, reimbursement shall be made to the extent that costs incurred exceed the certification fees received. The State shall submit a verified, detailed statement with supporting documentation on a quarterly basis to the Tribal Gaming Agency. The Tribe shall reimburse the State Gaming Agency within thirty (30) days after the receipt of the statement of expenses. In the event a dispute arises, it will be resolved pursuant to Section 12(c) of this Compact.

SECTION 14. PUBLIC HEALTH AND SAFETY.

(a) Compliance. For the purposes of this Compact, with respect to public health and safety, the Tribe shall adopt and enforce standards no less stringent than those contained in:

- (i) National Environmental Policy Act and environmental protection standards in accordance with U.S. Indian Health Service and U.S. Public Health Service requirements.
- (ii) Uniform Building Code, including national codes for electrical, fire, and plumbing; and, if applicable, Nooksack Tribal Zoning Code; and
- (iii) Public health standards for food and beverage handling in accordance with United States Public Health Service requirements and, if applicable, Nooksack Tribal Ordinance.

(b) Emergency Service Accessibility. The Tribal Gaming Agency shall make provisions for adequate emergency accessibility and service.

(c) Community Contribution. Two and one-half percent (2.5%) of the net win of the gaming stations shall be paid to the County of Whatcom for law enforcement purposes as a contribution to defray potential impacts which may result from the operation of the Class III gaming facility. The contribution shall be made annually upon the anniversaries of the opening of the facility in the manner agreed upon between the Tribe and Whatcom County.

(d) Community Relations. The Tribal Gaming Agency agrees to be available to meet and discuss with neighboring communities any concerns regarding the impact(s) of the Class III gaming operation upon the neighboring communities.

(e) Alcoholic Beverage Service. Standards for alcohol service shall be subject to applicable law.

SECTION 15. AMENDMENTS, DURATION AND EFFECTIVE DATE.

(a) Effective Date. This Compact shall constitute the agreement between the State and the Tribe pursuant to I.G.R.A. and shall be amendable and modified only pursuant to the provisions herein and shall take effect when notice of approval by the Secretary of the Interior that such Compact has been published in the Federal Register.

(b) Voluntary Termination. This Compact shall be in effect until terminated by the written agreement of both parties. Should the Tribe wish to cease Class III gaming operations, the Tribe may unilaterally terminate this Compact by submitting written notice sixty (60) days prior to the date of termination to the Governor of the State of Washington. State jurisdiction shall continue until the completion of any pending investigation or court action. Any suspension or injunction of Class III gaming operations shall not constitute termination for the purpose of this sub-section.

(c) Other Termination - Change of State Law. If the laws of the State authorizing the activities set forth herein as Class III gaming activities are repealed prohibiting such gaming for any purpose by any person, organization or entity, it is the State's position that the provisions of the Compact providing for such gaming would not be authorized and continued operation of such gaming would constitute a violation of the Compact and the State may bring an action in Federal District Court pursuant to 25 USC Section 2710 (d)(7)(A)(ii).

The Tribe disagrees that such subsequent State legislation would have this effect under I.G.R.A. and the Compact, but does agree that such an action, if commenced in that forum, is the appropriate State recourse, and for such purpose the Tribe consents to such a suit and waives any defense it may assert by way of its sovereign immunity.

(d) Amendments/Renegotiations.

(i) Amendments - Mutual. The terms and conditions of this Compact may be amended at any time by the mutual and written agreement of both parties.

(ii) Renegotiation/Amendments. Subsections III(d), (g), (h), and (i) will not be subject to renegotiation or amendment for thirty-six (36) months from the date of this amendment, January 26, 1995, unless one of the following occurs: (1) the laws of the State are amended, expanding gaming beyond that which is now allowed under the terms of this Compact; (2) a State or Federal court within the State of Washington or a Federal court interpreting the laws of the State of Washington issues a final and unappealable decision permitting participation in a gaming activity that was not authorized for any purpose by any person, organization, or entity at the time this Compact was executed or not authorized by this Compact; (3) another tribe West of the Cascade Mountains obtains, through a Compact approved by the Secretary of the Interior, greater levels of wagering, hours of operation, size and/or scope of Class III gaming activities, than authorized by the provision of this Compact; or (4) another tribe East of the Cascade Mountains obtains, through a Compact approved by the Secretary of the Interior, greater levels of wagering, hours of operating, size and/or scope of Class III gaming activities, than authorized by the provisions of this Compact and the Tribe can demonstrate that such levels have resulted in an adverse economic impact on the Class III gaming operation. Further, §15(d)(i) which provides that the

parties may "mutually agree" to renegotiations and/or compact amendments may not be invoked during this thirty-six (36) month time period;

(iii) Renegotiation - Tribe. The parties shall renegotiate the nature and/or scope of Class III gaming as set forth in Section 3 above upon the written notice and request by the Tribe to the State, if and when:

(aa) laws in the State are enacted allowing that gaming which is now prohibited; or

(bb) the Tribe wishes to engage in other forms of Class III gaming other than those games authorized in Section 3(a), including a Tribal lotto/lottery, off-track betting and/or horse racing track and facility.

(iv) Renegotiation - State. The parties shall renegotiate Sections 4, 5, 7, 11 and 14 upon the written notice and request by the State to the Tribe, if and when, circumstances and events unforeseen at the time of the negotiation and execution of this Compact occur meriting discussion and renegotiation of such provisions, provided however, if any renegotiation of Section 14 would require additional expenditures of Tribal funds, then the source and origin of such funds must be addressed and resolved. If the renegotiations are unsuccessful, then the matter shall be resolved pursuant to Section 12(c) which in this instance shall be mandatory and binding.

(v) Process and Negotiation Standards. The notices to amend or renegotiate shall include the activities or circumstances to be negotiated together with a statement of the basis supporting the request. If the request meets the requirements of this sub-section or proviso, the parties shall confer and required negotiations shall commence within thirty (30) days of the request. All matters involving negotiations or other amendatory processes under Section 15 shall be otherwise governed, controlled and conducted in conformity with the provisions and requirements of 25 USC Section 2710(d), except the delegation of the actual resolution of an unsettled dispute under Section 15(d)(iv) pursuant to Section 12(c).

(vi) State Authorization of Additional Class III Gaming Activities. In the event the State hereafter authorizes any additional Class III activity, including electronic facsimiles of Class II or Class III gaming, the Tribe shall be authorized to conduct such activity prior to completion of the subsequent negotiations as provided in this sub-section (d), if such activity is conducted in accordance with all of the limitations and requirements of the State.

SECTION 16. NOTICES.

Unless otherwise indicated by this Compact, all notices required or authorized to be served shall be served by certified or private postal services which require a signature for receipt at the following addresses:

Governor
State of Washington
State Capitol
Olympia, Washington 98504

Tribal Chairman
Nooksack Indian Tribe
P.O. Box 157
Deming, Washington 98244

Washington State Gambling Commission
P. O. Box 42400
Olympia, Washington 98504-2400

Nooksack Tribal Gaming Agency
P.O. Box 157
Deming, Washington 98244

SECTION 17. SEVERABILITY.

In the event that any Section or provision of this Compact is held invalid, or its application to any particular activity held invalid, it is the intent of the parties that the remaining Sections of the Compact, and the remaining applications of such Section or provision shall continue in full force and effect.

THE NOOKSACK INDIAN TRIBE

By Hubert Williams DATED: 28 day of Oct., 1991.
Hubert Williams
Chairman

THE STATE OF WASHINGTON

By Booth Gardner DATED: 28 day of Oct., 1991.
Booth Gardner
Governor

**AMENDMENTS 1 & 2 HAVE BEEN
INCORPORATED INTO THIS COMPACT**